

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
Signature of Sponsor

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 890**

**House Bill No. 955**

by deleting the body of the bill in its entirety and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 56-32-202(6), is amended by deleting the phrase “physician-hospital organizations as defined in subdivision (10)” and substituting instead the phrase “physician-hospital organizations, hospital organizations or physician organizations as defined in this section”.

SECTION 2. Tennessee Code Annotated, Section 56-32-202, is amended by adding the following items and renumbering all definitions in this section in alphabetical order:

( ) “Hospital organization” means an organization formed to allow hospitals to jointly obtain provider contracts with health maintenance organizations and other payers of health care benefits;

( ) “Physician organization” means an organization, composed of three or more providers formed to allow providers to jointly obtain provider contracts with health maintenance organizations and other payers of health care benefits;

SECTION 3. Tennessee Code Annotated, Section 56-32-204(a)(3)(E), is amended by inserting after the phrase “physician-hospital organization” wherever it appears the phrase “, hospital organization or physician organization”.

SECTION 4. Tennessee Code Annotated, Title 56, Chapter 32, Part 2, is amended by adding the following language as a new, appropriately designated section:

If the federal government authorizes to providers, or groups of affiliated providers, organized to deliver a spectrum of health care services (provider-

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sponsored organization), to contract directly to provide Medicare services on either full risk contracts paid on a capitated basis or on partial risk payment arrangements, then the commissioner is authorized to promulgate regulations authorizing provider-sponsored organizations in this state to provide similar services under similar arrangements to private purchasers and to other governmental purchasers. The regulations promulgated pursuant to this section shall not impose any condition or requirement on provider-sponsored organizations that are greater than or more stringent than those imposed by the federal government on Medicare provider-sponsored organizations. Provider-sponsored organizations authorized pursuant to such regulation shall not be required to be authorized as either a health maintenance organization or an insurance company.

SECTION 5. This act shall take effect July 1, 1997, the public welfare requiring it.

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